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SENATE BILL 2858 By Claborough

HOUSE BILL 2476
By Wood

AN ACT to amend Tennessee Code Annotated, Title 3, Chapter 15 and Title 71, Chapter 5, Part 1, relative to the TennCare program.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-110, is amended by adding the following at the end of subsection (b):

Any application for TennCare enrollment shall include the following:

(1) Place of employment;

(2) Employer's name;

(3) Employer's address;

(4) Length of current employment; and

(5) Length at current home residency.

An application for TennCare enrollment shall require the applicant to provide the following:

(1) Two (2) forms of proof of salary, to include a copy of paycheck and a copy of the applicant's federal tax return from prior year;

(2) Two (2) forms of proof of residency, such as copy of lease, mortgage, or utility payment;

(3) Copy of photo identification of applicant;

(4) Statement from employer stating whether insurance is offered to employees and, if so, outlining the type of insurance and the cost to employees;

(5) Two (2) statements of applicant's medical condition - one each from two (2) different physicians;

(6) Two (2) copies of insurance applications - one each to two (2) different insurance companies;

(7) Two (2) letters of rejection - one from each of the two (2) different insurance companies' underwriting departments;

(8) Lists of conditions classified as uninsurable by each of the two (2) rejecting insurance companies; and

(9) A ten dollar ($10) fee from non-Medicaid-eligible applicants.

SECTION 2. Tennessee Code Annotated, Section 71-5-110, is further amended by adding the following:

(c) The department shall impose a six (6) month domicile requirement for applicants for coverage in any program for uninsured or uninsurable coverage.

SECTION 3. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new section:

(--)(a) A person commits an offense who, knowingly, obtains, or attempts to obtain, or aids or abets any person to obtain, by means of a willfully false statement, representation, or impersonation, or by any other fraudulent means or in any manner not authorized by this part, or by the regulations or procedures issued or implemented by the department pursuant to this part, medical assistance or any assistance provided pursuant to the part, to which such person is not entitled, or of a greater value than that to which such person is authorized.

(b) An offense under this section is a Class E felony.

(c) In addition to the foregoing penalty, the court may order that any such person be disqualified from participation in the medical assistance program, as an enrollee or provider, for a period of twelve (12) months for a first offense, twenty-four (24) months for a second offense, and permanently for a subsequent offense. The court may also order restitution in the total amount of all payments for medical assistance for such person and all capitation payments to the managed care entity related to services for such person.

SECTION 4. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new section:

(a) A person commits an offense who provides a willfully false statement regarding another's medical condition or eligibility for insurance, to aid or abet another in obtaining or attempting to obtain medical assistance or any assistance provided under this part to which the person is not entitled or to a greater value than that to which such person is authorized.

(b) An offense under this section is a Class E felony.

(c)(1) In addition to the foregoing penalty, the court shall order restitution in the total amount of all payments for medical assistance for such person and all payments to the managed care entity related to services for such person.

(2) In addition to the foregoing penalties, the court shall report the person or entity to the appropriate professional licensure board or the department of commerce and insurance for disciplinary action.

SECTION 5. Tennessee Code Annotated, Section 3-15-510, is amended by adding the following:

(g) The TennCare Bureau shall file a quarterly report for each of the first three (3) quarters of each year to include the following updates:

(1) status of TennCare reforms and improvements, such as improving the technology and information system;

(2) progress of annual re-verification of all TennCare recipients;

(3) status of filling top-leadership positions in the bureau;

(4) number of recipients on TennCare program and costs to the state;

(5) viability of MCOs and providers in the TennCare program; and

(6) success of fraud detection and prevention.

A final report shall be submitted during the fourth quarter of each year, which shall include information for the fourth quarter and summarize information relating to each of the above areas for the entire year. A copy of such report for each quarter shall be transmitted to the TennCare oversight committee and the fiscal review committee within fifteen (15) days of the end of each quarter.

SECTION 6. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new section to be appropriately designated:

Section ___. (a) The bureau of TennCare shall reverify the eligibility for medicaid of TennCare enrollees classified by the bureau as a medicaid eligible as permitted under current law. Any entity conducting local reverification interviews shall notify the bureau of any changes in an enrollee's eligibility within two (2) weeks of the interview. Any enrollee who is determined by the bureau to be ineligible for medicaid, shall be then terminated from the TennCare program in a manner consistent with the requirements of federal law and the enrollee shall be required to reapply to TennCare and be approved as an uninsured or uninsurable applicant .

(b) If a TennCare enrollee is classified by the bureau as a medicaid eligible and that enrollee fails to complete the required reverification process for medicaid eligibility for four (4) consecutive months, that the bureau shall immediately terminate

the enrollee from the TennCare program in a manner consistent with the requirements of federal law and shall no longer be eligible to receive TennCare benefits.

(c) (1) The bureau shall annually complete a reverification of the continued eligibility of each individual TennCare enrollee classified by the bureau as an uninsurable or uninsured.

(2) When reverifying uninsured and uninsurable TennCare enrollees under this subsection, during the four (4) month period the bureau shall seek to contact those enrollees with at least the following efforts:

(A) Two (2) letters and a reverification application to be mailed to the enrollee's home address as listed on the TennCare application or the most current address possessed by the bureau; and

(B) Two (2) letters to be mailed to the enrollee's work address as listed on the TennCare application or the most current address possessed by the bureau.

(3) In order to complete the reverification process, after receiving a letter and a reverification application, each uninsured or uninsurable TennCare enrollee shall submit to the bureau all information and documentation within six (6) months of the mailing of the first letter.

(d) The TennCare reverification application requirements shall be identical to the initial application requirements.

(e) Each TennCare enrollee shall notify the bureau of any change affecting any information given to the bureau of TennCare on or with the enrollee's TennCare application. The enrollee shall be responsible for mailing documentation of any such changes within three (3) months of any change. The bureau shall update the enrollee's file to reflect those changes for which it receives notification.

(f) If the bureau is unable to contact an enrollee after the efforts required of the bureau by this section or if the enrollee fails to submit documentation as required by subsection (e), the bureau will immediately terminate the enrollee from the TennCare program in a manner consistent with the requirements of federal law and shall no longer be eligible to receive TennCare benefits.

(g) If during the reverification process the bureau determines that any enrollee is no longer eligible to receive TennCare, then the bureau will immediately terminate the enrollee from the TennCare program in a manner consistent with the requirements of federal law and shall no longer be eligible to receive TennCare benefits.

(h) The provisions of this act shall take effect to the extent that they are permitted by federal law and to the extent that all required approvals have been obtained from the federal department of health and human services under the terms of the federal TennCare waiver.

SECTION 7. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new, appropriately numbered section:

Section __. (a) To the extent consistent with federal law and subject to the approval of the Health Care Financing Administration, (HCFA). The commissioner of commerce and insurance, with the assistance of the TennCare bureau, shall develop a standard TennCare benefits package and a behavioral health TennCare benefits package. Such benefit packages shall provide benefits comparable to those available under the state employees managed care plan of coverage or under the small employer carrier provisions of Section 56-7-2207(b). Once developed, such benefit packages shall become the standard provided by each managed care organization ("MCO") and behavioral health organization ("BHO") for all TennCare enrollees, including medicaid eligibles and the TennCare demonstration project participants.

(b) To the extent consistent with federal law and subject to the approval of HCFA, the TennCare bureau shall implement a two-part system of flat co-payments and eliminate any requirement of deductibles. Such system of co-payments shall be implemented by each managed care organization and each behavioral health organization as to the TennCare demonstration project participants. The co-payment schedule shall include:

(1) For those between 100% - 200% of poverty:

Annual Deductible	-	none
Physician Office Visit	-	$5 per visit to primary care physician ("PCP") $10 per visit to specialist
Hospital Care	-	$50 per admission
Prescription Drugs	-	$5 per generic brand $10 per brand name
Maternity	-	$5 for the first office visit $10 per visit to specialist $100 hospital admission
Preventive Health Assessment	-	$5 per visit to PCP $10 per visit to specialist
Emergency Care	-	$50 per visit (waived if admitted)
Vision Care	-	$5 per visit to PCP $10 per visit to specialist $10 per annual eye-exam
Chiropractic Care	-	not covered
Ambulance Service - Air & Ground		none when deemed medically appropriate
Lab and X-Ray	-	$5 per visit to PCP $10 per visit to specialist
Physical, Speech & Occupational Therapy	-	$5 per visit
Mental Health Inpatient	-	$50 per admission
Substance Abuse Inpatient		$50 per admission
Mental Health/Substance Abuse Outpatient	-	$10 per session
Annual Out-of-Pocket Maximums		$500 per TennCare recipient

(2) For those over 200% of poverty:

Annual Deductible	-	none
Physician Office Visit	-	$10 per visit to PCP $15 per visit to specialist
Hospital Care	-	$100 per admission
Prescription Drugs	-	$5 per generic brand $15 per brand name
Maternity	-	$10 for first office visit $15 per visit to specialist $100 hospital admission
Preventive Health Assessment	-	$10 per visit to PCP $15 per visit to specialist

Emergency Care	-	$50 per visit (waived if admitted)
Vision Care	-	$10 per visit to PCP $15 per visit to specialist $10 per annual eye-exam
Chiropractic Care	-	not covered
Ambulance Service - Air & Ground		none when deemed medically appropriate
Lab and X-Ray	-	$10 per visit to PCP $15 per visit to specialist
Physical, Speech & Occupational Therapy	-	$10 per visit
Mental Health Inpatient	-	$100 per admission
Substance Abuse Inpatient	-	$100 per admission
Mental Health/Substance Abuse Outpatient	-	$15 per session
Annual Out-of-Pocket Maximums		$1,000 per TennCare recipient

(c) The TennCare bureau shall revise TennCare premiums so that premiums shall be comparable to those paid under the state employees managed care plan of coverage or under the small employer carrier provisions pursuant to Section 56-7-2207(b). The same premium rate schedule shall be followed in each MCO and each BHO and shall apply to the TennCare demonstration project participants, but not to medicaid eligibles.

(d) To the extent consistent with federal law and subject to the approval of HCFA, the TennCare bureau shall impose a seven (7) per month prescription limitation, including refills, for each TennCare enrollee, including medicaid eligibles and the TennCare demonstration project participants.

(e) To the extent consistent with federal law and subject to the approval of HCFA, the TennCare bureau shall develop and require use of a standard billing procedure and forms to be used by each MCO and BHO.

(f) To the extent consistent with federal law and subject to the approval of HCFA, the TennCare bureau shall prohibit all MCOs and BHOs from advertising TennCare enrollee services.

SECTION 8. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new section:

Section _____. (a) The bureau of TennCare shall conduct a criminal background check on all applicants to the TennCare program. The background check shall include investigation by the Tennessee bureau of investigation or the federal bureau of investigation and shall include a criminal National Crime Information Center background check. If the background check reveals that an applicant is a fugitive from justice and wanted for arrest, then the bureau shall deny the applicant's TennCare application and refer the matter together with such relevant information as it may disclose by law to an appropriate law enforcement agency for appropriate action.

(b) The bureau of TennCare shall bear the cost of such background checks. Any application fee from any applicant shall be applied to the cost of background checks to the bureau on all applicants.

(c)The bureau shall retain the authority to perform criminal background checks anytime throughout the reverification process on TennCare enrollees.

(d) The provisions of this section shall only take effect to the extent permitted by federal law and to the extent that any necessary approvals under the federal waiver for TennCare have been secured from the federal department of health and human services.

SECTION 9. The provisions of this act shall only take effect to the extent permitted by federal law and to the extent that any necessary approvals under the federal waiver for TennCare have been secured from the federal health care financing administration.

SECTION 10. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 11. This act shall take effect July 1, 2000, the public welfare requiring it.